

(15) Interest, investment earnings, and gains of a trust, the settlors of which are two or more manufacturers that signed a settlement agreement with this State to settle existing and potential claims of the State against the manufacturers for damages attributable to a product of the manufacturers, if the trust meets all of the following conditions:

- a. The purpose of the trust is to address adverse economic consequences resulting from a decline in demand of the manufactured product potentially expected to occur because of market restrictions and other provisions in the settlement agreement.
- b. A court of this State approves and retains jurisdiction over the trust.
- c. Certain portions of the distributions from the trust are made in accordance with certifications that meet the criteria in the agreement creating the trust and are provided by a nonprofit entity, the governing board of which includes State officials."

**Section 4.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read as follows:

"§ 105-130.45. Credit for manufacturing cigarettes for exportation.

(a) Definitions. -- The following definitions apply in this section:

- (1) Base year exportation volume. -- The number of cigarettes manufactured and exported by a corporation during the calendar year 1998.
- (2) Exportation. -- The shipment of cigarettes manufactured in the United States to a foreign country sufficient to relieve the cigarettes in the shipment of the federal excise tax on cigarettes.

(b) Credit. -- A corporation engaged in the business of manufacturing cigarettes for exportation to a foreign country is allowed a credit against the taxes levied by this Part. The amount of credit allowed under this section is determined by comparing the exportation volume of the corporation in the year for which the credit is claimed with the corporation's base year exportation volume, rounded to the nearest whole percentage. The amount of credit allowed is as follows:

<u>Current Year's Exportation Volume Compared to its Base Year's Exportation Volume</u>	<u>Amount of Credit per Thousand Cigarettes Exported</u>
120% or more	40c
119% - 100%	35c
99% - 80%	30c
79% - 60%	25c
59% - 50%	20c
Less than 50%	None

(c) Cap. -- The credit allowed under this section may not exceed the lesser of six million dollars (\$6,000,000) or fifty percent (50%) of the amount of tax imposed by this Part for the taxable year reduced by the sum of all other credits allowable, except tax payments made by or